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where, not simply in obedience to the demand for justice, but as the only adequate form of direct taxation in an age when the personal factor in production and the technical changes in production and exchange are so important as now. These transformations are rendering the old forms of taxes on product (*Ertragsteuern*) obsolete, and as economic conditions have always been in the past the main factor governing the development of taxation, one may accept the tendency toward income taxation as a necessary product of historical evolution. Herein lies the real significance of the effort, unsuccessful though it was, of the Bourgeois-Doumer ministry to introduce a general income tax into the French system. Wagner sees nothing socialistic in this movement, although he closes the volume with the reflection that we have at last entered on the "era of social politics" in taxation.

A. C. MILLER.

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*Introduction to Public Finance.* By CARL C. PLEHN. New York: The Macmillan Company, 1896. 12mo. pp. 364.

PROFESSOR PLEHN'S *Introduction*, designed as an elementary text-book, is likely to prove very useful to instructors in colleges where no more provision is made for work in public finance than can be found in courses on general economics. It covers the whole field of public finance within reasonable compass, although chief stress has been laid very properly upon the questions of taxation. Their treatment occupies almost two-thirds of the whole volume and contains much in the way of statement of fact and discussion of principle that is simple, concise, and accurate. The writer has also shown much skill in making condensations from the larger treatises on finance, among which the influence of Cohn can be most largely traced. But, like Cohn, the present writer seems to me to have paid too much attention to the abstract and general and not enough to the concrete and particular. Above all he has given too much space to questions of classification, and too little to the description of methods of taxation, and the discussion of the economic effects and administrative peculiarities of the different kinds of taxes. A book of 364 pages that gives no more than eleven pages to the important group of land, house, business, corporation and inheritance taxes, can hardly be said to satisfy the first requisite of a well-planned text-book, that is, give an adequate acquaintance with the chief materials and problems of the science.

Generalities are not worth much more in finance than they are in therapeutics. In each, "everything depends;" and the student cannot be brought too soon to learn the nature and variety of conditioning circumstances. Finance is a practical and empirical science, and its problems are not to be solved by simple reference to theoretical rules, or underlying tendencies of development. These are useful in their place, but it is a mistake to treat them as the alphabet of the science.

Among errors of fact, the only serious one noticed is the statement made by Professor Plehn, in reference to the Civil War income tax, that "on all incomes derivable from the public funds the tax was stopped at the source" (p. 244). Unfortunately for the revenue, the method of stoppage-at-the-source was not applied by our income tax to the interest on public securities, with the result, as Mr. Sherman stated in 1866, that "so much income is concealed that the internal-revenue reports show that but a small sum is collected as the revenue from incomes from public securities." Congress hesitated to adopt this, the only effective method of collecting a tax on government securities, for fear of affecting the public credit unfavorably, so many of our bonds finding their market abroad. Exception may also be taken to the statements that "indirect taxes cannot properly be said to have undergone any process of development [in the nineteenth century];" and that "the most instructive country [for the student of finance] to study is Prussia" (pp. 148, 150). If Professor Plehn had paid more attention to the experiences of other countries, he could not have made these statements. Taking only a very limited view of the development, it can hardly escape notice that the democratic movement of the nineteenth century, which has been, no doubt, more fruitful in other directions, has yet not been without its distinct influence on the development of indirect taxes. The course of this development is clear and impressive. Taxes on the necessities of life have either been abolished, as in Great Britain, or else greatly moderated, as in France and Germany. And, except in the single point of the light thrown on the development of personal taxation, it is hard for me to see wherein, at any rate in the domain of national taxation, the history of Prussian finance is specially instructive. The leading features of its system of direct taxation, like the tax systems of most of the other countries of western Europe, have been so clearly derived from French precedents as to be little more than a simplified version of the cele-

brated *contributions directes*. Had Professor Plehn paid more attention to the remarkable financial experiences of France, he would have produced a more instructive book, because he would have seen, and must have helped his readers to see, more clearly the real historical significance of the tax systems of the nineteenth century. Prussian taxation is mainly interesting as being one of the latest phases of a movement which has had a French history during the larger part of the century.

A. C. M.

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*Les Assurances Ouvrières: Mutualités contre la Maladie, l'Incendie et le Chômage.* By EUGÈNE ROCHEPIN. Paris: Guillaumin et Cie., 1896. 12mo. pp. iii + 283.

IN a previous volume entitled *La caisse nationale de prévoyance ouvrière et l'intervention de l'état*, M. Rochetin tried to show how, independently of the state and on the principle of mutuality, laboring men might make provision for pensions in their old age and for assuring their wives and children a comfortable living if suddenly deprived of their natural support. He now comes forward with a supplementary volume designed to prove that on the same principle of mutuality the laborer may be guaranteed against loss by sickness, fire, and enforced idleness. The two volumes he believes present a programme which ought to be followed "in order to give satisfaction to the legitimate demands of the laboring classes, and to avoid the renewal of agitations which it would be wise to prevent because they are an index of a latent social malady, and bear witness to sufferings which although patiently borne are none the less real and worthy of being assuaged" (p. iii). When these two necessities, namely, the insurance of the laborer against fire, sickness, and loss of work, and provision for his old age, are satisfied, then, thinks the author, we shall be near the end of our labor difficulties.

The principle advocated, mutuality, is doubtless destined to play a greater part in the future than in the past in all practicable schemes of social reform. M. Rochetin, however, makes too much of it. According to him it is the one principle for solving all knotty social problems. We have learned to be suspicious of specifics, and when we are told that association is "the great and only remedy for the evils which the laboring class is suffering" (p. 7), we find ourselves beginning to doubt its efficacy. But our author goes farther. He tells us that